

Chairperson: Steve Cady, 278-4347
Coordinator: Janelle M. Jensen, 278-4228

SELECT COMMITTEE ON DEFERRED COMPENSATION

Monday, November 16, 2015 - 9:00 a.m.
Milwaukee County Courthouse - Room 203-P

MINUTES

PRESENT: Mark Grady, Jennifer Folliard, Ayce Chiapetta, Marian Ninneman,
Steve Cady (Chairman) - 5

EXCUSED: NONE

SCHEDULED ITEMS:

****CLOSED SESSION: Item 1****

The Committee may adjourn into closed session under the provisions of Wisconsin Statutes, Section 19.85(1)(f), for the purpose of the Committee considering financial, medical, social, or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems, or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations in regards to the following matter(s). At the conclusion of the closed session, the Committee may reconvene in open session to take whatever action(s) it may deem necessary.

The Committee did not adjourn into closed session.

1. 15-DC1 Appeal(s) from deferred compensation participant(s) of decisions regarding request(s) for hardship withdrawal(s) of funds from Milwaukee County's Deferred Compensation Plan.

There were no requests for hardship withdrawals.

-
2. 15-DC23 Financial Update on Administration of Milwaukee County's Deferred Compensation Plan. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

Chairman Cady provided a financial update on the administration of the Milwaukee County Deferred Compensation Plan. He will provide a draft letter regarding participant fees and circulate to Committee members for commentary. A chart format will be used so it is user friendly.

SCHEDULED ITEMS (CONTINUED):

The Administrative Fee “holiday” began in the second quarter of 2007 and will continue through the fourth quarter of 2015. Beginning in January 2016, participants will again be charged an administrative fee as approved by the Select Committee at the May 4, 2015, meeting. The new fee includes a \$3 per month fixed fee and an asset based fee of 0.09% per year, or 90 cents per \$1,000 invested (0.0075% per month). Fees will NOT be charged to participants whose balance is less than \$1,000 and the asset based fee will NOT be charged on any portion of the account balance above \$200,000.

The following people appeared and spoke regarding this item:
Emily Lockwood, Client Relationship Director, Empower Retirement
Nick Rutzinski, Retirement Plan Counselor, Empower Retirement

The Committee took no action on this informational report.

3. 15-DC24 From Empower Retirement, providing the Third Quarter Report.
(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

The following people appeared and spoke regarding this item:
Emily Lockwood, Client Relationship Director, Empower Retirement
Nick Rutzinski, Retirement Plan Counselor, Empower Retirement

Ms. Lockwood and Mr. Rutzinski provided an overview of the Third Quarter Report.

The Committee took no action on this informational report.

4. 15-DC25 From Empower Retirement, recommended participants and procedures to pay out “De Minimus” accounts as provided for in the In-Service Distribution (Section 10K) of the Milwaukee County Plan of Deferred Compensation.

Chairman Cady relayed that the list of De Minimus accounts was not available in time for today’s meeting and ordered that this item be laid over to the February 8, 2016, meeting. There were no objections by Committee members.

This item was Laid Over to the February 8, 2016, meeting of the Select Committee on Deferred Compensation.

SCHEDULED ITEMS (CONTINUED):

5. 15-DC26 From Aon Hewett, providing the Third Quarter Performance Report.
(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

Glenn R. Sapa, Associate Partner, Aon Hewitt, appeared and spoke regarding this item.

James Cagle, Senior Analyst, Aon Hewitt, appeared but did not speak regarding this item.

Mr. Sapa provided the Third Quarter Performance Report.

Mr. Grady requested an in-depth analysis of the Heartland Value Fund which addresses the causes of underperformance.

Mr. Sapa will provide the requested information and have the research team provide other Small Cap options.

The Committee took no action on this informational report.

6. 15-DC27 From Aon Hewett, providing a report on Retirement Income Adequacy.
(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

The following people appeared and spoke regarding this item:
Glenn R. Sapa, Associate Partner, Aon Hewitt
Emily Lockwood, Client Relationship Director, Empower Retirement

The Committee took no action on this informational report.

7. 15-DC28 From Aon Hewitt, providing the Annual Plan Review.

The following people appeared and spoke regarding this item:
Glenn R. Sapa, Associate Partner, Aon Hewitt
Emily Lockwood, Client Relationship Director, Empower Retirement
James Cagle, Senior Analyst, Aon Hewitt

Mr. Grady requested information on the participants and investments in the North Shore Savings Fund. Mr. Cady will provide the data.

Mr. Grady inquired as to whether the Select Committee on Deferred Compensation can create an Inflation Fund.

Mr. Sapa will share information as to what is available in the marketplace as well as details on a White Label Market Fund.

SCHEDULED ITEMS (CONTINUED):

Mr. Sapa indicated that the Investment Policy Statement (IPS) was also reviewed and that his firm is not recommending any changes. The Select Committee reviews the IPS annually. Mr. Cady also reported that the Plan Governing Document was reviewed by outside counsel and no changes are recommended at this time.

The Committee took no action on this informational report.

****CLOSED SESSION: Item 8****

The Committee may adjourn into closed session under the provisions of Wisconsin Statutes, Section 19.85(1)(e), for the purpose of deliberating the investing of public funds or conducting other specified business whenever competitive or bargaining reasons require closed session. At the conclusion of the closed session, the Committee may reconvene in open session to take whatever action(s) it may deem necessary.

ACTION BY: (Grady) A motion was made by Mr. Grady to Adjourn into Closed Session to Discuss Item #8.

AYES: Grady, Folliard, Chiapetta, Ninneman, and Cady (Chairman) - 5

NOES: 0

The Committee was in Closed Session from 11:11 a.m. to 11:28 a.m. Upon reconvening at 11:28 a.m., a roll call was taken and all Committee members were present.

8. 15-DC29 From Aon Hewitt, an option to extend the investment consulting contract for an additional year.

ACTION BY: (Folliard) A motion was made by Ms. Folliard to extend the investment consulting contract with Aon Hewitt for an additional year.

AYES: Grady, Folliard, Chiapetta, Ninneman, and Cady (Chairman) - 5

NOES: 0

Mr. Grady requested that Mr. Cady develop a Request for Proposals to be issued in 2016. This extension is through October 31, 2016, and will conclude the contract that began in 2011.

SCHEDULED ITEMS (CONTINUED):

9. 15-DC30 From Advised Assets Group, providing the Third Quarter Stable Value Fund Report. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

Emily Lockwood, Client Relationship Director, Empower Retirement, appeared and spoke regarding this item.

Chairman Cady provided comments on the Third Quarter Stable Value Fund Report.

The Committee took no action on this informational report.

10. 15-DC2 Upcoming Regular Meeting Dates of the Select Committee on Deferred Compensation. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

- Monday, February 8, 2016
- Monday, May 9, 2016
- Monday, August 8, 2016

The Committee took no action on this informational report.

This meeting was held in Room 203-P and recorded. Committee files contain copies of any subject reports and communications, which may be reviewed upon request to the Committee Coordinator. The official copy of these minutes, and the audio recording of this meeting are available in the Office of the Milwaukee County Clerk.

Length of meeting: 9:02 a.m. to 11:32 a.m.

Adjourned,

Janelle M. Jensen

Senior Committee Coordinator
Select Committee on Deferred Compensation

Next Regular Meeting:

The next regular meeting for the Select Committee on Deferred Compensation is Monday, February 8, 2016.